

To whom it may concern,

Company Name: ASTI CORPORATION
 Stock Code: 6899
 Stock Exchange Listing: Second section of Tokyo Stock Exchange
 and Nagoya Stock Exchange
 Address of the Head Office: 626 Fukushima-cho, Hamamatsu City, Shizuoka
 Contact Person: Goichi Watanabe,
 Director, Administration manager
 Telephone Number: 0538 (66) 5577

Announcement on the capital increase and the construction of a new plant for the subsidiary in Vietnam

We would like to announce that the Company has decided the following matters regarding the capital increase and the construction of a new plant for the subsidiary in Vietnam "Asti Electronics Corporation (hereinafter referred to as AEC) at a board of directors meeting held on October 6, 2005.

1. Reasons of capital increase and the construction of a new plant

AEC is currently located in Binh Duong Province near Ho Chi Minh City and produces electrical equipment for cars, home appliances, telecommunications equipment utilizing its electronic circuit board mounting technology. Since it is experiencing a rapid increase of inquiries on its products from customers around Hanoi, to deal with such demand and also to enhance a system to supply products all over Vietnam, we decided to increase its capital and construct a new plant of AEC.

2. Outline of the subsidiary in Vietnam with the capital increase

- (1) Trade Name: ASTI Electronics Corporation
 (2) Representative: Hideharu Nakaaki
 (3) Address: Binh Duong Province, Vietnam
 (4) Capital fund: 2 million US dollars (ASTI's investment ratio: 92%)
 (5) Foundation: September, 1998
 (6) Main business: Manufacture and sale of electrical equipment for cars, home appliances, telecommunications equipment

3. Outline of the capital increase

- (1) Time of the capital increase: October, 2005
 (2) Amount added to capital: 1 million US dollars (Fully invested by ASTI)
 (3) Capital fund after the increase: 3 million US dollars (ASTI's investment ratio: 95%)
 (4) Purpose for funds: Funds for the construction of a new plant (including building site) and the introduction of new manufacturing facilities

4. Outline of the construction of a new plant

- (1) Location: Quang Minh Industrial Zone, Vinh Phuc Province, Vietnam
 (2) Land Area: 18,500 square meters
 (3) Building Area: Approximately 5,700 square meters
 (4) Construction Schedule: To be completed in April, 2006
 (5) Amount of capital investment: Approximately 500 million yen

5. Forecast turnover of the company

(Unit: Million yen)

	Year 2005	Year 2006	Year 2007
Amount of sales	2,500	4,000	4,500